

FISCAL MEMORANDUM

HB 1901 – SB 2071

April 30, 2007

SUMMARY OF AMENDMENT (006991): Exempts persons who receive only federal supplemental security income from the provisions of the bill.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$515,800 FY07-08
\$1,031,600 FY08-09

Other Fiscal Impact – Increase Federal Expenditures - \$904,940 FY07-08
\$1,809,900 FY08-09

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$232,100 FY07-08
\$464,200 FY08-09

Other Fiscal Impact – Increase Federal Expenditures - \$407,200 FY07-08
\$814,500 FY08-09

Assumptions applied to amendment:

- It is estimated that there are a total of 23,679 long-term care recipients per year.
- Forty-five percent (45%) of long-term care recipients, or 10,656, will qualify for the \$10 per month increase in the recipient's personal needs allowance.
- The bill takes effect January 1, 2008.
- It is estimated that the increase in expenditures for FY 07-08 will be \$639,360 (10,656 patients X \$10 per month X six months). Of this amount, \$232,120 will be state funds at a 36.305% match and \$407,240 will be federal funds at a 63.695% match.
- It is estimated that the increase in expenditures for FY 08-09 will be \$1,278,720 (10,656 patients X \$10 per month X 12 months). Of this amount, \$464,240 will be state funds at a 36.305% match and \$814,480 will be federal funds at a 63.695% match.

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- The Federal Financial Participation rate could change in FY 08-09 which will change the increase in state and federal expenditures. In January 2007, the Federal Funds Information for States (FFIS) report included a preliminary projection that Tennessee's Federal Medical Assistance Percentage (FMAP) could be 63.93%. If true this would reduce the estimated state expenditures while increasing the estimated federal expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml